

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1004 be amended to read as follows:

- 1 Replace the effective dates in SECTIONS 62 through 80 with
- 2 "[EFFECTIVE JULY 1, 2003]".
- 3 Page 7, line 15, delete "franchise tax" and insert "**activity fee**".
- 4 Page 11, line 8, strike "(a)".
- 5 Page 11, line 9, strike "the following purposes:" and insert
- 6 "**distributions under section 5 of this chapter.**".
- 7 Page 11, strike lines 10 through 38.
- 8 Page 31, delete lines 40 through 42, begin a new paragraph and
- 9 insert:
- 10 "**Sec. 1. Notwithstanding any provision in the 2002 Real**
- 11 **Property Assessment Manual and Real Property Assessment**
- 12 **Guidelines for 2002-Version A, incorporated by reference in the**
- 13 **rules of the local government finance commissioner, as codified at**
- 14 **50 IAC 2.3-1-2, a county property tax assessment board of appeals**
- 15 **or the Indiana board shall consider all evidence relevant to the**
- 16 **assessment of residential rental property regardless of whether the**
- 17 **evidence was submitted to the township assessor before the**
- 18 **assessment of the property.**".
- 19 Page 32, delete lines 1 through 13.
- 20 Page 34, line 26, delete "and property taxes first due and" and insert
- 21 ".
- 22 Page 34, delete lines 27 through 28.
- 23 Page 49, between lines 3 and 4, begin a new paragraph and insert:
- 24 "**SECTION 41. IC 6-1.1-20.9-7 IS ADDED TO THE INDIANA**

CODE AS A NEW SECTION TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2002]: **Sec. 7. Not later than September 15, 2002, each county auditor shall mail or otherwise distribute a written notice to each individual who is eligible for a homestead credit. The notice shall be distributed to the address of the individual provided in the credit statement filed under section 3 of this chapter or, if the address is incomplete on the credit statement, the tax duplicate or special assessment records. The notice must describe the homestead credit provided to individual under this chapter in substantially the following form:**

**"Your assessing officials are doing a general reassessment of all real property in the county. The reassessment is necessary to comply with Indiana law. The Indiana General Assembly has enacted changes to the homestead credit to substantially reduce the effects that this reassessment may have on your home. In the first year that the reassessment applies, your assessment will be reduced by the basic homestead credit and a supplemental circuit breaker. The basic homestead credit will reduce your total assessment by 15%. The supplemental circuit breaker will reduce any increase in your assessment by 25%. Local services will not be affected by this credit. Local government units will receive a distribution of state tax revenues to replace the amount of this credit."**

Page 75, line 39, delete "BUSINESS FRANCHISE TAX" and insert **"BUSINESS ACTIVITY FEE"**.

Page 85, line 35, delete "Franchise Tax" and insert **"Activity Fee"**.

Page 85, between lines 41 and 42, begin a new paragraph and insert:

**"Sec. 3. If the taxable net worth of the taxpayer is less than fifty thousand dollars (\$50,000) the tax imposed by this chapter in a taxable year is zero (0)."**

Page 85, line 42, delete "3" and insert **"4"**.

Page 86, line 4, after "is" insert **"greater than fifty thousand dollars (\$50,000) and is"**.

Page 86, line 8, delete "4" and insert **"5"**.

Page 86, line 11, after "is" insert **"greater than fifty thousand dollars (\$50,000) and is"**.

Page 86, line 15, delete "5" and insert **"6"**.

Page 86, line 15, delete "and" and insert **", "**.

Page 86, line 15, after "4" insert **", and 5"**.

Page 86, line 29, delete "6" and insert **"7"**.

Page 86, line 29, delete "2 and 3" and insert **"3, 4, and 5"**.

Page 87, line 17, delete "franchise".

Page 87, line 22, delete "IC 27-8-8-15;" and insert **"IC 27-8-8-16;"**.

Page 87, line 27, delete "Taxes;" and **"Fees;"**.

Page 101, delete lines 17 through 30, begin a new paragraph and insert:

"(1) Forty percent (40%) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21.

(2) Fifty-nine and ~~three-hundredths~~ **one hundred ninety-two thousandths** percent (~~59.03%~~) (**59.192**) of the collections shall be paid into the state general fund.

~~(3) Seventy-six hundredths~~ **(2) Six hundred thirty-three thousandths** of one percent (~~0.76%~~) (**0.633%**) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

~~(4) Four hundredths~~ **(3) Thirty-three thousandths** of one percent (~~0.04%~~) (**0.033%**) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

~~(5) Seventeen hundredths~~ **(4) One hundred forty-two thousandths** of one percent (~~0.17%~~) (**0.142%**) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5."

Page 137, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 129. IC 6-3.1-23.8-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: **Sec. 1.7. As used in this chapter, "inventory" has the meaning set forth in IC 6-1.1-3-11.**"

Page 138, line 15, delete "SIX" and insert "FIVE".

Page 138, delete lines 17 through 42, begin a new line block indented and insert:

**"STEP ONE: Determine the net ad valorem property taxes paid by the taxpayer in the taxable year on business personal property (excluding inventory) with an assessed value equal to the lesser of:**

**(A) the assessed value of the person's business personal property; or**

**(B) an assessed value of thirty-seven thousand five hundred dollars (\$37,500).**

**STEP TWO: Subtract the assessed value of business personal property (excluding inventory) on which the taxpayer paid ad valorem property taxes in the taxable year from thirty-seven thousand five hundred dollars (\$37,500).**

**STEP THREE: This STEP applies only if the STEP TWO result is greater than zero (0). Determine the net ad valorem property taxes paid by the taxpayer in the taxable year on inventory with an assessed value equal to the lesser of:**

**(A) the assessed value of the person's inventory; or**

**(B) the STEP TWO result.**

**STEP FOUR: If the net ad valorem property taxes paid by the taxpayer in the taxable year on inventory exceeded the amount of net ad valorem property taxes determined under**

**STEP THREE, determine fifty percent (50%) the remaining net ad valorem property taxes paid by the taxpayer in the taxable year on inventory.**

**STEP FIVE: Determine the sum of the STEP ONE, STEP THREE, and STEP FOUR amounts."**

Page 139, delete lines 1 through 8.

Page 171, line 22, delete "fifty-seven" and insert "**eighty-nine**".

Page 171, line 23, delete "(6.57%)" and insert "**(6.89%)**".

Page 171, line 28, delete "Eighty-four" and insert "**Eighty-three**".

Page 171, line 29, delete "five-hundredths" and insert "**seventy-three hundredths**".

Page 171, line 29, delete "(84.05%)" and insert "**(83.73%)**".

Page 171, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 155. IC 6-7-1-29.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2002]: Sec. 29.1. (a) ~~One-third (1/3)~~ **Thirty-two percent (32%)** of the money in the cigarette tax fund is annually appropriated to the department of natural resources.

(b) The department shall use at least two percent (2%) but not more than twenty-one percent (21%) of the money appropriated to it under this section for:

(1) flood control and water resource projects, including multiple-purpose reservoirs; and

(2) applied research related to technical water resource problems.

The department may use the money to plan, design, acquire land for, or construct the projects.

(c) The department shall use at least thirty-six percent (36%) of the money appropriated to it under this section to construct, reconstruct, rehabilitate, or repair general conservation facilities or to acquire land.

(d) The department shall use at least forty-three percent (43%) of the money appropriated to the department under this section for soil conservation and lake and river enhancement under IC 14-32.

SECTION 156. IC 6-7-1-30.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2002]: Sec. 30.1. (a) ~~Two-thirds (2/3)~~ **Sixty-eight percent (68%)** of the money in the cigarette tax fund is annually appropriated to the cities and towns of this state and to certain local governmental entities.

(b) The amount which is allocated to each city or town under this section equals the product of:

(1) the total amount appropriated under subsection (a); multiplied by

(2) a fraction, the numerator of which is the population of the city or town, and the denominator of which is the total population of all the cities and towns of Indiana.

(c) The auditor of state shall calculate and distribute the amount allocated to each city or town under this section on or before June 1

and December 1 of each year. To make these semiannual distributions, the auditor of state shall issue warrants drawn on the cigarette tax fund to the officials designated in subsection (d) or (e).

(d) For a consolidated city, or a city or town which is located in the same county as the consolidated city, the auditor of state shall issue a warrant for:

(1) three-fourteenths (3/14) of the money allocated to the city or town under subsection (b) to the fiscal officer of the city or town; and

(2) the remaining eleven-fourteenths (11/14) of the money to the treasurer of that county.

The fiscal officer of the city or town shall deposit the money distributed to him under this subsection in the city's or town's general fund. The county treasurer shall annually deposit three hundred fifty thousand dollars (\$350,000) which he receives under this subsection in the capital improvement bond fund of the county. The remainder of the money which the county treasurer receives under this subsection is appropriated to the department of transportation of the consolidated city. The county treasurer shall serve as custodian of the money so appropriated to the department.

(e) For a city or town which is not located in the same county as a consolidated city, the auditor of state shall issue a warrant for the total amount allocated to the city or town under subsection (b) to the fiscal officer of the city or town. The fiscal officer shall deposit three-fourteenths (3/14) of the money in the city's or town's general fund, and he shall deposit the remaining eleven-fourteenths (11/14) of the money in the city's or town's cumulative capital improvement fund."

Page 172, line 26, delete "franchise tax" and insert "**business activity fee**".

Page 175, delete lines 27 through 42.

Page 176, delete lines 1 through 17.

Page 178, line 1, delete "Each month, after making the allocations to the department of".

Page 178, delete lines 2 through 24.

Page 178, line 25, delete "(7)".

Page 178, run-in lines 1 through 27.

Page 178, line 28, delete "(5) (8)" and insert "(5)".

Page 178, line 30, delete "(6) (9)" and insert "(6)".

Page 178, line 28, delete "(7) (10)" and insert "(7)".

Page 178, line 36, delete ",".

Page 179, line 8, delete "3(7) 3(8)" and insert "3(7)".

Page 178, line 37, delete 37, delete "other than subdivisions (4) through (6),".

Page 192, line 2, delete ":".

Page 192, line 3, delete "(A)".

- 1 Page 192, line 3, delete ", except that these services:".
- 2 Page 192, delete lines 4 through 6.
- 3 Page 192, line 7, delete "(19) years of age;".
- 4 Page 192, line 8, delete "(B)".
- 5 Page 192, run-in lines 2 through 8.
- 6 Page 239, line 24, delete "minus" and insert "**plus**".
- 7 Page 239, line 25, delete "the sum of:".
- 8 Page 239, delete line 26.
- 9 Page 239, line 27, delete "(ii)".
- 10 Page 239, run-in lines 25 through 29.
- 11 Page 245, line 13, delete "franchise taxes," and insert "**activity**
- 12 **fees,**".
- 13 Page 245, line 38, delete "franchise taxes," and insert "**activity**
- 14 **fees,**".
- 15 Page 250, line 31, delete "franchise taxes," and insert "**activity**
- 16 **fees,**".
- 17 Page 251, line 37, delete "franchise taxes," and insert "**activity**
- 18 **fees,**".
- 19 Page 300, line 30, after "2002]:" insert "IC 4-12-9-4".
- 20 Page 301, line 40, delete ";".
- 21 Page 301, run-in lines 39 through 42.
- 22 Page 302, line 4, delete "; minus" and insert ".".
- 23 Page 302, line 2, strike "result of:".
- 24 Page 302, line 3, strike "(i) the".
- 25 Page 302, run-in lines 1 through 4.
- 26 Page 302, line 5, delete "(ii)", begin a new line block indented and
- 27 insert:
- 28 **"STEP THREE: Determine the result of the STEP ONE or**
- 29 **STEP TWO amount as applicable minus"**.
- 30 Page 302, line 7, delete "THREE:" and insert "**FOUR:**".
- 31 Page 302, line 7, delete "ONE OR" and insert "**THREE**".
- 32 Page 302, line 8, delete "STEP TWO".
- 33 Page 302, line 8, delete ", as applicable,".
- 34 Page 302, line 9, delete "FOUR:" and insert "**FIVE:**".
- 35 Page 302, line 9, delete "THREE" and insert "**FOUR**".
- 36 Page 305, line 4, delete "\$852,965" and insert "**\$1,521,287**".
- 37 Page 305, line 8, delete "\$2,998,265" and insert "**\$432,785**".
- 38 Page 306, delete lines 13 through 18, begin a new paragraph and
- 39 insert:
- 40 **"SECTION 304. [EFFECTIVE UPON PASSAGE]**
- 41 **(a) Notwithstanding P.L.291-2001, SECTION 10, FOR THE**
- 42 **DEPARTMENT OF ENVIRONMENTAL MANAGEMENT,**
- 43 **AUTO EMISSIONS TESTING PROGRAM, Other Operating**
- 44 **Expense for the biennium is \$0.0 and not \$14,987,334.**
- 45 **(b) Notwithstanding P.L.291-2001, SECTION 10, there is**
- 46 **appropriated from the underground petroleum storage tank excess**

liability trust fund (IC 13-23-7-1) \$14,987,334 to the DEPARTMENT OF ENVIRONMENTAL MANAGEMENT, AUTO EMISSIONS TESTING PROGRAM for Other Operating Expense for the period beginning July 1, 2001, and ending June 30, 2003. Any money spent from the appropriation from the general fund for the auto emissions testing program for other operating expense shall be refunded to the general fund from the underground petroleum storage and excess liability trust fund."

Page 306, delete lines 37 through 41.

Page 310, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 313. [EFFECTIVE JULY 1, 2002] (a) This SECTION applies to the following credits and deductions:

(1) Standard deduction under IC 6-1.1-12-37.

(2) Multifamily dwelling complex deduction under IC 6-1.1-12-42.

(3) Increased homestead credits under IC 6-1.1-20.9-2 and IC 6-1.1-20.9-2.5.

(b) The deductions under subsection (a) initially apply to property taxes first due and payable in 2004.

SECTION 314. [EFFECTIVE JULY 1, 2003] (a) The appropriation FOR THE BUREAU OF MOTOR VEHICLES, Motor Vehicle Highway Account (IC 8-14-1), Personal Services for Fiscal Year 2002-2003 is \$48,132,557 and not \$68,132,557. However, the Bureau of Motor Vehicles may supplement its appropriation from the Motor Vehicle Highway Account with additional revenue generated by fees charged in license branches.

(b) Thirty-four million eight hundred thousand dollars (\$34,800,000) that would otherwise be distributed to the state highway fund under IC 8-14-1-3 shall be used to fund the appropriation for the state police department under IC 8-14-1-3."

Renumber all SECTIONS consecutively.

(Reference is to HB 1004 as printed January 22, 2002.)

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Representative Bauer